



Steven Grossman
Treasurer and Receiver General

The Commonwealth of Massachusetts
Department of the State Treasurer
State House
Boston, Massachusetts 02133

April 30, 2013

Senator Elizabeth Warren
Russell Senate Office Building
2 Russell Courtyard
Washington, DC 20510

Senator William M. Cowan
365 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators:

As both State Treasurer and a small businessman, I want to express my strong support for the Durbin-Enzi Bill to allow states to collect taxes on sales made using the Internet. I thank you for your support for this legislation hope that you will urge your colleagues to vote for it.

A federal solution is required because of the need to set national standards that would comply with the U.S. Supreme Court ruling on the issues. In addition my background in business makes me very wary of a patchwork of rules in different states. Accordingly, federal legislation makes sound business sense.

This is a matter of fairness and equity to Main Street businesses. Local retailers and other merchants should not have to compete with online sales giants that do not have to collect state and local sales taxes. It is simply contrary to sound public policy to penalize companies that actually invest in a brick-and-mortar presence in a community.

There are more than 500,000 retail jobs in the Commonwealth of Massachusetts, and they are threatened by this lack of a level playing field. It also is unfair, for that matter, to large Internet sellers such as Staples or Apple, who invested in retail stores in Massachusetts and thus must charge sales taxes while their competitors don't. I would not want to be at such a disadvantage were I still running my family business – and neither would any other business owner.

It is also a revenue issue especially when significant cuts in federal aid are anticipated because of the budget situation in Washington, leaving states with the prospect of grave revenue shortfalls. The Massachusetts Department of Revenue estimates conservatively that about \$200 million per year would be raised if taxes could be collected on Internet sales. The Massachusetts Main Street Fairness Coalition (an alliance that includes local officials and merchants) commissioned Cape Ann Economics, a respected research firm, and that study projected even higher revenues – \$387 million in 2011.

Moreover, with the percentage of sales conducted via the Internet dramatically increasing, states with sales taxes face the threat of an eroding tax base. In Massachusetts, critical spending on transportation and public school construction are directly tied to the sales tax.

I regret that action has been delayed on the Durbin-Enzi Bill, and I hope you and your Senate colleagues will swiftly enact it upon your return to session in May. If I can provide you with any further information or other assistance, please do not hesitate to contact me.

Best personal regards,

A handwritten signature in black ink, appearing to read "Steve Grossman", with a long horizontal flourish extending to the right.

Steven Grossman
Treasurer and Receiver General
Commonwealth of Massachusetts